

COMMENTS AND RECOMMENDATIONS

MSHDA QUALIFIED ALLOCATION PLAN (QAP)

MAY 22, 2007

Regarding Affordable Assisted Living:

My comments relate to MSHDA's recent initiative to develop Affordable Assisted Living (AAL) Facilities. In August 2006, MSHDA, along with the State Department of Community Health (DCH), Department of Human Services (DHS), and the Office of Services to the Aging (OSA) asked for Concept Proposals for Affordable Assisted Living Projects for low and moderate income Michigan residents. MSHDA's Multi-Family Division offered HOME money toward the construction/renovation of up to five projects. DCH/DHS/OSA committed to finding funds to provide on-site supports for the low income individuals who would benefit from these projects.

There was considerable interest in the development of these types of facilities. Twenty-four Proposals were submitted. The Initiative Team reviewed the proposals and selected five for further development. Unfortunately, during the period between receiving the proposals and making selection of the approved projects, DCH/DHS/OSA has not been able to dedicate the necessary Home and Community Based Waivers to the selected projects. Even though the HCBW's were not allocated, the need has not diminished and MSHDA has offered to attempt to find a way to fund the new construction/renovation of some of the projects using existing DCH/DHS/OSA waivers. Genesis is one of the five selected AAL projects, and is attempting to find a method to move forward with this much needed alternative for low-income seniors in Grand Rapids.

Now that MSHDA is reexamining the QAP it is appropriate that some consideration be given to providing some source of dedicated LIHTC funding for these type of housing alternatives. I suggest MSHDA set aside ten percent (10%) of the allocated low income tax credit funds for future Affordable Assisted Living projects and make this designation in the next Qualified Allocation Plan. The rationale for this recommendation is:

1. Several of our neighboring Great Lakes Region States do have dedicated funding that goes into these types of projects. Examples of worthy programs exist in Wisconsin, Illinois, and Ohio. Other states throughout the nation have dedicated funds for elderly housing alternatives.
2. Although the possibility of gaining a source of dedicated HCBWs for AALs may not be possible this year, the obvious need to find some alternative to skilled nursing housing for low-income frail seniors will eventually force the legislature and administrative branches to find alternatives. MSHDA can take the lead in setting aside adequate funding for building these alternatives, and be ready when the dedicated waivers are available.
3. For example, the Department of Community Health's effort to form Single Points of Entry (SPE) is one effort toward making one-stop shopping for alternative housing much easier. As the SPEs become more operational, the need to find alternatives will be extremely important. If MSHDA doesn't take the lead in

finding more funds, the SPE Option Counselors will be faced with a critical lack of affordable housing options.

4. While it is true there may be over-capacity of private pay assisted living facilities, there is a severe under-capacity of affordable assisted living facilities for seniors with low income. If MSHDA is able to dedicate a portion of LIHTC funds to organizations providing affordable assisted living, the available will increase, and the state may save Medicaid dollars.
5. Recent Federal initiatives to implement Money Follows the Person funding streams will doubly enhance the opportunities for low income seniors to be able to make choices in end of life living experiences.
6. The recent Community for a Lifetime Initiative in Grand Rapids stressed the importance of expanding our community's "circle of healing" alternatives to low income seniors, so the future needs of the "frail fraction" of older residents who face isolation, poverty, health, and other issues will be addressed.
7. Studies have shown as the baby boomers retire, the number of seniors over 65 years of age is expected to double in the next 20 years; 75+ will triple, and 85+ will quadruple. The need to find some alternative methods of housing the portion of this population that is low income and not able to afford market rate assisted living facilities will increase.
8. One of MSHDA's Strategic Planning work groups dedicated its discussion to Aging in Place issues and stated "MSHDA should support expansion of the program to allow individuals choice of where to receive both Housing Choice Vouchers and MIChoice Waiver (HCBW) benefits including such community based settings of:
 - Independent living apartments and single family homes
 - Continuing care retirement communities
 - Licensed or unlicensed setting
 - Project-based setting

I recommend MSHDA establish a new LIHTC "set-aside" of 10% of LIHTC future funds for development of alternative housing for low-income seniors.

Thank You!

Harold Mast,
Executive Director
Genesis Non-Profit Housing Corporation

Treasurer, Board of Directors
Area Agency on Aging of West Michigan